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Press Release

Source: Rosen Law Firm PA

The Rosen Law Firm Files Class Action Lawsuit on Behalf of Investors in Sterling Financial Corporation (Lancaster, PA) Common Stock -- SLFI

Friday May 25, 6:30 pm ET

NEW YORK, NY--(MARKET WIRE)--May 25, 2007 -- The Rosen Law Firm announced today that it has filed a class action lawsuit on behalf purchasers of Sterling Financial Corporation (Lancaster, PA) ("Sterling" or the "Company") (NasdaqGS:[SLFI](#) - [News](#)) common stock during the period from April 27, 2004 through May 24, 2007, inclusive (the "Class Period").

To join the Sterling class action, go to the website at <http://www.rosenlegal.com> or call Laurence Rosen, Esq. or Phillip Kim, Esq. toll-free at 866-767-3653 or email Irosen@rosenlegal.com or pkim@rosenlegal.com for information on the class action.

The Complaint charges that certain present and former officers, employees, and directors of Sterling's wholly owned subsidiaries Equipment Finance LLC ("EFI") and Bank of Lancaster County, N.A. violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, by engaging in a scheme to defraud the investing public and to artificially inflate the stock price of Sterling.

The Complaint alleges that certain officers and employees of EFI engaged in a sophisticated loan scheme to cause Sterling to issue materially false and misleading financial information to the investing public in order to artificially inflate Sterling's stock price in violation of federal securities laws.

The Complaint asserts that on April 30, 2007 Sterling announced that it expected to restate its previously issued financial statements for FY 2004 through and including FY 2006 in connection with certain accounting irregularities at its EFI wholly owned subsidiary. The Company announced that EFI's CEO and President had voluntarily relinquished his positions. This adverse announcement caused to Company's stock to fall nearly 19%.

After market-close on May 24, 2007, Sterling announced preliminary results from its ongoing investigation. According to the Complaint, the investigation revealed evidence of a sophisticated loan scheme, orchestrated deliberately by certain EFI officers and employees over an extended period of time to conceal credit delinquencies, falsify financing contracts and related documents, and subvert established internal controls established by Sterling. As a result the Company announced it terminated 5 employees at EFI and expected to take a cumulative after-tax charge of \$145 million to \$160 million to the Company's FY 2006 results. Further announcements on May 24, 2007 revealed the Company was halting its dividend. This announcement caused the Company's stock to fall nearly 40% on May 25, 2007.

The case is pending in the United States District Court for the Southern District of New York as case no. 07-CV-4108. You can obtain a copy of the complaint from the clerk of court or you may contact counsel for plaintiffs Laurence Rosen, Esq. or Phillip Kim, Esq. toll-free at 866-767-3653 or email Irosen@rosenlegal.com or pkim@rosenlegal.com.

If you wish to serve as lead plaintiff, you must move the Court no later than 60 days from today. If you wish to join the litigation or to discuss your rights or interests regarding this class action, please contact plaintiff's counsel, Laurence Rosen, Esq. or Phillip Kim, Esq. of The Rosen Law Firm toll free at 866-767-3653 or via e-mail at Irosen@rosenlegal.com or pkim@rosenlegal.com.

The Rosen Law Firm has expertise in prosecuting investor securities litigation and extensive experience in actions involving financial fraud. The Rosen Law Firm represents investors throughout the nation, concentrating its practice in securities class actions.

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Source: Rosen Law Firm PA

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